

§ 1710.411

Program purposes or used to prepay the RUS loan.

(c) Current RUS-approved EE Program documentation that includes:

(1) A Business Plan that meets the requirements of § 1710.407;

(2) A Quality Assurance Plan that meets the requirements of § 1710.408;

(3) Analytical support documentation that meets the requirements of § 1710.411;

(4) A copy of RUS' written approval of the EE Program.

(d) An EE program work plan that meets the requirements of § 1710.255;

(e) A statement of whether an initial working capital advance pursuant to § 1710.409(c)(1) is included in the loan budget together with a schedule of how these funds will be used.

(f) A proposed draft Schedule C pursuant to 7 CFR part 1718 that lists assets to be financed under this subpart as excepted property under the RUS mortgage, as applicable.

§ 1710.411 Analytical support documentation.

Applications for loans under this subpart may only be made for eligible activities and investments included in an RUS-approved EE Program. In addition to a business plan and operations plan, a request for EE program approval must include analytical support documentation that demonstrates the program meets the requirements of § 1710.303 and assures RUS of the operational and financial integrity of the EE Program. This documentation must include, but is not necessarily limited to, the following:

(a) A comparison of the utility's projected annual growth in demand after incorporating the EE Program together with an updated baseline forecast on file with RUS, where each includes an estimate of energy consuming devices used by customers in the service territory and a specific time horizon as determined by the utility for meeting the performance objectives established by them for the EE Program;

(b) Demonstration that the required periods of performance under § 1710.405(c) can reasonably be expected to be met;

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(c) A report of discussions and coordination conducted with the power supplier, where applicable, issues identified as a result, and the outcome of this effort.

(d) An estimate of the amount of direct investment in utility-owned generation that will be deferred as a result of the EE Program;

(e) A description of efforts to identify state and local sources of funding and, if available, how they are to be integrated in the financing of the EE Program; and

(f) Copies of sample documentation used by the utility in administering its EE Program.

(g) Such other documents and reports as the Administrator may require.

§ 1710.412 Borrower accounting methods, management reporting, and audits.

Nothing in this subpart changes a Borrower's obligation to comply with RUS's accounting, monitoring and reporting requirements. In addition thereto, the Administrator may also require additional management reports that provide the agency with a means of evaluating the extent to which the goals and objectives identified in the EE Plan are being accomplished.

§ 1710.413 Compliance with other laws and regulations.

Nothing in this subpart changes a Borrower's obligation to comply with all laws and regulations to which it is subject.

§§ 1710.414–1710.499 [Reserved]

Subpart I—Application Requirements and Procedures for Loans

SOURCE: 60 FR 3731, Jan. 19, 1995, unless otherwise noted.

§ 1710.400 Initial contact.

(a) Loan applicants that do not have outstanding loans from RUS should write to the Rural Utilities Service Administration, United States Department of Agriculture, Washington, DC 20250–1500. A field or headquarters staff representative may be assigned by RUS

to visit the applicant and discuss its financial needs and eligibility. Borrowers that have outstanding loans should contact their assigned RUS general field representative (GFR) or, in the case of a power supply borrower, the Director, Power Supply Division. Borrowers may consult with RUS field representatives and headquarters staff, as necessary.

(b) Before submitting an application for an insured loan the borrower shall ascertain from RUS the amount of supplemental financing required, as set forth in § 1710.110. If the borrower is applying for either a municipal rate loan subject to the interest rate cap or a hardship rate loan, the application must provide a preliminary breakdown of residential consumers either by county or by census tract. Final data must be included with the application. See § 1710.401(a)(8).

EFFECTIVE DATE NOTE: At 78 FR 73366, Dec. 5, 2013, § 1710.400 was redesignated as 1710.500, effective Feb. 3, 2014.

§ 1710.401 Loan application documents.

(a) *All borrowers.* All applications for electric loans shall include the documents listed in this paragraph. The first page of the application shall be a list of the documents included in the application. The borrower may use RUS Form 726, Checklist for Electric Loan Application, or a computer generated equivalent as this list.

(1) *Transmittal letter.* A letter signed by the borrower's manager indicating the actual corporate name and taxpayer identification number of the borrower and addressing the following items:

- (i) The need for flood hazard insurance;
- (ii) Breakdown of requested loan funds by state;
- (iii) A listing of the counties served by the borrower;
- (iv) A listing of threatened actions by third parties that could adversely affect the borrower's financial condition, including annexations or other actions affecting service territory, loads, or rates; and
- (v) A listing of pending regulatory proceedings pertaining to the borrower.

(2) *Board resolution.* This document is the formal request by the borrower's board of directors for a loan from RUS. The board resolution shall include:

- (i) The requested loan type, loan amount, loan term, final maturity and method of amortization (§ 1710.110(b));
- (ii) The sources and amounts of any supplemental or other financing;
- (iii) Authorization for RUS to release appropriate information to supplemental or other lender(s), and authorization for these lenders to release appropriate information to RUS; and
- (iv) For an insured loan, a statement of whether the application is for a municipal rate loan, with or without the interest rate cap, or a hardship loan. If the application is for a municipal rate loan, the board resolution must indicate whether the borrower intends to elect the prepayment option. See 7 CFR 1714.4(c).

(3) *RUS Form 740c, Cost Estimates and Loan Budget for Electric Borrowers.* This form together with its attachments lists the construction, equipment, facilities and other cost estimates from the construction work plan or engineering and cost studies, and the sources of financing for each component. The date on page 1 of the form is the beginning date of the loan period and shall be the same as the date on the Financial and Statistical Report submitted with the application (paragraph (a)(5) of this section). Form 740c also includes the following information, exhibits, and attachments:

(i) *Description of funds and materials.* This description details the availability of materials and equipment, any unadvanced funds from prior loans, and any general funds the borrower designates, to determine the amount of such materials and funds to be applied against the capital requirements estimated for the loan period.

(ii) *Useful life of facilities financed by the loan.* Form 740c must include, as a note, either a statement certifying that at least 90 percent of the loan funds are for facilities that have a useful life of 33 years or longer, or a schedule showing the costs and useful life of those facilities with a useful life of less than 33 years. This statement or schedule will be used to determine the final maturity of the loan. See § 1710.115.